FOR MYSORE STATE

Revenue (195 2) Departmen

Ms. SERIES.

G.O. NO. 672 62

Dated 5th March 1952

We, the undersigned Silk Merchants, of Kollegal and Mudigundam Coimbatore Dt.- Madras Province) beg to bring to your kind and early nsideration, the following facts, with the hope, that we will get mediate redress, to our longfelt grievance, so that we may be permitted to resume our trade, in the usual normal manner.

1. It is needless to say, sir, that Kollegal, is the seat of RAW SILK Manufacturing Trade, in the Madras Presidency and it is perhaps, the only Silk Producing Taluk, of the Madras State. It may be emphasised, that Kollegal had supplied all their Silk, to the Government of India, for Defence Purposes, during the last World War II and had contributed to its success.

Since the introduction, of Sales Tax and its levy on Raw Silk, sold to the Silk Merchants, by the Reelers (run as a Village Cottage Industry) who. in turn, resell the same, to wholesalers, retailers and Hand-loom weavers, mostly, outside the Taluk,at the various points at which the same bundle of Silk changes hands, we have been undergoing great hardships. In short, the same bundle is subjected to Sales Tax, at more than one point. This works great hardship, to everybody dealing in Raw Silk, viz. the Silk Reeler, the Wholesale Kollegal and Mudigundam Merchant etc.. Due to the restriction on Import of Foreign Silk and the comparatively small quantity of Raw Silk, manufactured locally, in this Taluk, the price of Raw Silk, had risen up, due to the heavy demand and paucity of stocks. The present day price is round-about Rs 48/- per pound. The Sales Tax, on a pound , to be paid by the Reeler, first and then by the Wholesale Merchant works out at Annas 12/- at each transfer, which naturally has to be added to the Selling Price. Of course, the margin of Profit on a pound of Silk, does not even come up to half the Sales Tax, that had to be paid. Due to the fluctuations in the Silk Market, it is quite impropable that we make any profit at all, sometimes. It may be added here, that this Raw Silk Industry is mainly a Cottage Industry and as such has to be treated akin to Hand-woven Cotton Cloth, which is exempt from Taxation.

But, in the neighbouring State of Mysore, about 2 furlongs across the following Sliding Scale of Sales Tax, is in operation on Raw Silk and the Merchants have been carrying on, their trade with ease and pleasure. The

the Charka Reelers have been exempted from Sales Tax, as it had been classed as a Cottage Industry, (Worked by Hand). This disparity between the two neighbouring Governments, under the Indian Union, have placed us, especially those belonging to the Madras State, in a predicament and in a disadvantageous position. This can be explained as below. As already explained, the Sales Tax on a pound of Silk, comes to Annas twelve which is normally paid by the Mysore State Silk Merchant, to the reeler, in excess of the price that a Merchant at the Madras border can pay, as he has to take into consideration the Sales Tax he has to pay to the Goverment. Likewise the Reeler, who does not pay any Tax as Charka-Silk is exempted as a Cottage Industry, stands to gain this amount, per pound, while in Madras State, the Reeler has to pay out of his price this Sales Tax. Thus the Kollegal Silk Merchant, who happens to be on the Madras Side, is robbed of his own Taluks' production of Raw Silk being sold to them. Even granting he takes it at a higher price, double taxation, again , during resale, affects his business, as the Mysore State Merchant is in a better positic since, he is willing to dispose off his stock, at a much lower price, even keeping a profit margin for himself, as this Double Taxation and flat rate of levy at 3 pies per Rupee, tells upon him, in fixing up the Selling Price, by the Kollegal Merchants. Thus, due to the heavy rise, in the price of Raw Silk and the consequent taxation at duble points, the Kollegal Silk Merchants, have been doing little business and many have migrated to the Mysore Border Village -a quarter mile away- and to Bangaloro, dreading this Sales Tax and have been carrying on well. Many of us, have suspended our business, since long. From a comparative examination, you will be sorry to note, that the number of Merchants, who are now carrying on their usual trade of Silk, have considerably ~~reduced~~ reduced to a minimum, due to the incidence of this flat rate of Sales Tax, as it is not remunerative to carry on the trade.

It is requested that this anomaly between the two ~~states~~ states of the Indian Union, in the levy of Sales Tax, be removed and the Sliding Scale of Taxation, as current in the Mysore State, be put also in operation, in our Madras State, so as, to protect the Raw Silk Merchants and the Trade in Kollegal (Madra s)

We, do hope, that this humble petition will receive your kind and immediate attention.

We remain,
Most Honoured Sir,
Yours faithfully.

Kollegal.
1.6.50.

P. T. O.

Sliding Scale of Tax
in operation in Mysore State.

Rs 75/-	for an Outturn upto	Rs 20,000.
Rs 150/-	.. .. .. over	Rs 20,000 to Rs 1.00.000.
Rs 1000/-	.. .. over	Rs 1 lakh

Memo No. 40182 [illegible]50-1 & 1365[illegible]

Tax - The Madras General Sales Tax Act 1939 - Levy of sales tax on Raw Silk Representation

From the Silk merchants of Kollegal and Mudigundam, petition & 1-65[illegible]

App 1-3 cy

A copy of the petition cited is [illegible] to the Bd of Rev (CT) for remarks at an early date.

ER I & 14.6.50
Draft on 24.6.50

Ur
13.6.50

TSK
13.6.50
Note

Please see the petition at App 1-2 cy and the minutes of item at X on p/c. The Bd's remarks may be called for.

Draft above is for approval

TSK
13.6.50 And 13.6.50

Note to Bd of Rev (CT) with a copy of App 1-3 cy

CR II & 15.2.57
Draft 15.2.57.

Memo No. 40182 N/50-1 to 13650

Tax - The Madras General Sales Tax Act 1939 - Levy of sales tax on Raw Silk

Representation

From the Silk merchants of Kollegal and Mudigundam, petition dt 1-6-50

A copy of the petition cited is returned for remarks at an early date

Pl-3 cy

Ur
13.6.50

ERI dy 14.6.50
Draft on 26.6.50

TSK
12.6.50

Note

Please see the petition at pl-2 cy and the minutes of HCM at X on pl cy

The Bd's remarks may be called for

Draft above is for approval.

Ur 13/6

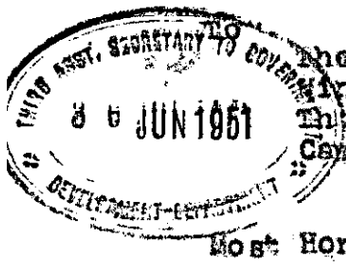
TSK
12.6.50 and 13.6.50

The Bd of Rev (CT) with a copy of Pl-3 cy

ERII dy 15.2.51
Draft 15.2.51.

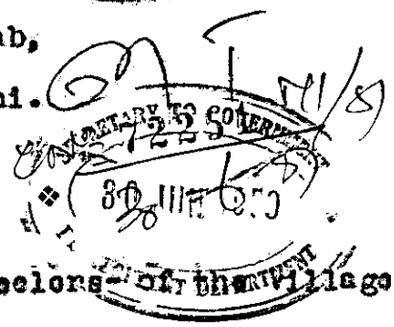
From

The Charka Reelers of
Kollegal Taluk- villages,
Coimbatore Dt. Madras State.



To

The Hon. Shri Hare Krushna Mahatab,
Minister of Commerce & Industry,
The Government of India, New Delhi.
Camp-- Kollegal.



Most Honoured Sir,

The Humble Petitioners- Charka Reelers of the villages, in Kollegal Taluk, beg to submit, the following grievance, for you Kind and Sympathetic consideration and early redress.

Kollegal Taluk is the only place in the Madras State, where Silk Reeling is carried on , by HAND CHARKA in villages, as a COTTAGE INDUSTRY, for many decades,

The SILK REELING by Hand Charka, by man Power, in these villages, is mainly a COTTAGE INDUSTRY, carried by means of CHARKAS (HAND REELS) turned by HAND by a labour. It has to said that SILK YARN REELED on this Charkas is HAND SPUN, from the Cocoon. It has therefore to be classed as and equivalant HAND SPUN SILK YARN as compared to FILATURE Silk Reeled on the MACHINE. Chil' Filature Reeled Silk Yarn is equal to the Cotton Yarn made on the Spinning frame in the Cotton Mill, the Hand Reeled (Hand Spun) CHARKA SILK, from the village Cottage Industry is equal to the Hand Spun Cotton yarn on the Charka by man power or KHADI or Khaddar. The Hon Minister Sri Prakasahad also said in the Parliament on 19th Dec 50, when he moved the Bill to regulate the use of the Word Khadi or Khaddar- " All Silk that is Hand Spun is Khadi or Khaddar. " So the Charka Reeled Silk is really Khadi, as it is hand Spun.

The Madras State Govt. had been penalising the poor Charka Reeler, by the levy of SALES TAX at a flat rate of 3 pies in the Rupee, as other commodities, disregarding the fact that this Charka Silk, is HandSpun and equal to Khadi Yarn and thus is free from sales tax, This Sales tax portion works up to As 8/- per pound of Silk when the Silk Yarn is selling at Rs 30/ per lb. The profit element in the pound does not even

come to As8/- per pound many a time owing to the fluctuati Silk Market, which is very unsteady. Another factor to be deeply considered is that in the neighbouring Mysore State, about a mile ahead of Kollegal Town, the Mysore State Govt has declared unequivocally, that Charka Reeled Silk, is Hand Spun and had, therefore exempted the same from the levy of Sales Tax and so the Charka Relled Silk in Mamballi, a mile away from Kollegal is TAX FREE. This variance and difference in the treatment of two brothers, one in Mysore State a mile away and the other in the Madras State has much to speak in the slowing down of this ancient and age-old cottage Industry in Kollegal Taluk. This is a Village Cottage Industry run by Man Power, and deserves all the encouragement Stimulus and Help, from the National Congress Government as Charka Silk is Khaddar as it is Hand reeled and Hand Spun. The levy of Slaes Tax by the Madras State Govt, on Hand Reeled Silk is not justifiable, while in the ~~Madras~~Mysore State, under the Indian Union Government all Charka Silk is classified as Hand Spun Yarn and exempted from Sales Tax. Due to this heavy taxation many Charka Reelers of repute, had either suspended their hereditary business or migrated to Mysore State Villages. If this state of affairs continue to harass the poor Charka Reelers of Kollegal Taluk, gradually this ancient Cottage Industry will becomes extinct. It may be said with pride that Quality Silk equal to the Filatures can be produced on the Charka, at a much cheaper cost. In order to stabilise the Charka Cottag Industry in the Kollegal villages it is quite imperative to keep this guarded. The rural economy of the villages depend only on the growth of this Industry.

The Silk Market is very unsteady due to various conditions and so the small and petty Charka Reeler is faced with grave consequences, in his trade and profession. The Sales Tax exemption will go a very long way in the firm establishment of this ancient Cottage Industry, in the Kollegal Taluk villages We only pray and request that we should be treated alike our brothers in the nearby border in the Mysore State. It is

It is our pride to say that our brother Charka Roelers at Kamballi and other Mysore State villages are happy and contented and th y have made their fortune.

We, therefore, pray that our humble petition will be heard and your honour will carefu'ly and sympathetically consider the fervent request, in the interest of the Cottage Industry and after comparison and verification of the rules of the Sister Mysore State, you will be pleased to pass such orders, decaring that all Charka reeled Silk will be FREE from the levy of Sales Tax.

We shall ever remain grateful, for this early resurrection of this ancient Cottage industry of Kollegal

We beg to remain, Most Honoured Sir,

Yours obediently,
P. திருநாவுக்கரசு.
26.6.51

We request that all correspondence may kindly be addressed ~~to P. Devarajappa, Charka Dealer, Kollegal.~~

Copy submitted to
1. The Chief Minister, to the Govt. of Madras, Madras.
2. The Finance Minister, to the Govt. of Madras, Madras,.
3. The Industries Minister, to the Govt. of Madras.
4. The Director of Industries & Commerce, Govt of Madras, Madras.

Tax - The Madras General Sales Tax Act, 1939 - (Coimbatore) - Kollegal Taluk - Levy of sales tax on silk reeled in charka - certain representation

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From Sri. P. Chetti Gounder and others, charka reelers in Kollegal Taluk, Petition dated 24.6.51

Endt no. 40182 N/50-3 dated 17.7.51

A copy of the petition quoted above is forwarded to the Collector for remarks in continuation of Memo 10182 N/50-1 dated 13.6.50.

VB

(1775)

REVENUE DEPARTMENT

Subject.

TAX - M.G.S.T.Act '39 - (Coimbatore) - Kollegal taluk
Levy of sales tax on silk reeled in Charka

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Station: Madras Ref.A.2790/50-5 Dated 28-8-1951.

From

Sri D. Balasundaram, B.A.,
Secy. to the Commr. of Comml.Taxes.

--

Sri V.N. Kudva, I.C.S., Commr. of Comml.Taxes.

--

Read:-

1. From the Govt. Rev. Dept. Endt.No.69533N/48-1 d/22-8-48
2. Bd's Ref.A.615/48-2 dated 6-4-49.
3. From the Govt. Rev. Dept. G.O.Ms.No.264 d/ 28-1-50.
4. From the Govt. Rev.Dept. No.40182-N/50-3 d/ 17-7-51.

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REFERENCE

With reference to the Government Endorsement last cited, he Board invites the attention of the Government to its reference .615/48-2 dated 6-4-49 and G.O.Ms.No.264 dated 28-1-50. It submi hat it has no further remarks to offer in the matter.

for SECRETARY (C.T.)

o the Secretary to Government,

Revenue Department.

PEERAN.28/8/51.

From

M.Devarajappa,
Charka reeler,
Mudigundam. B.O.
Secretary,
The Charka reelers of Kollegal Taluk
Coimbatore. Dt Madras State.

To

The Secretary,
The Ministry of Finance,
Department of Economic Affairs,
The Government of India,
New Delhi.

FOREIGN & CHIEF MINISTER'S
14 SEP 1951
GOVT. OF INDIA

Sir,

Your reference:- No. I.P.6285/51 dated 23.7.51 from the Ministry of Commerce & Industry, Government of India.

THIRD ASST. SECRETARY TO GOVERNMENT
SEP 1951

We invite your kind attention to the humble petition presented to the Hon. Shri Hare Krushna Mahtab, Minister of Commerce & Industries, which had been transferred to your department for enquiry, verification and disposal.

We have already explained in detail the miserable plight of the Charka Reelers of Kollegal Taluk villages, carried on as a Cottage Indus in most of the villages of the Taluk (the only place in Madras State) in that the Hand-Reeled Charka Silk is subjected to the levy of Madras Sa Tax at an Advalorum of 3 pies per Rupee (As 1/3 per Rs 100/-) . There is no sales Tax on such Silk in the adjacent Mysore State- 4 Mile and a h away from Kollegal Town. This Sales Tax is working great Hardship and har to the Reelers and the Cottage Industry of the villages.

Moreover this ancient Cottage Industry of this taluk- AN ANCIENT COTTAGE INDUSTRY OF THE VILLAGES OF THIS TALUK, CARRIED ON BY HAND-SILK YARN IS RELED BY HUMAN HAND AND LABOUR, WITHOUT ANY MACHINE-POWER-OR CRUDE SIMPLE MACHINERY. - AS subject to a Heavy Sales Tax, overlooking the fact that it is a village Cottage Industry run on a small scale, the Silk being reeled(Hand Spun) by human hand power. This is akin to Khad or Khaddar, similar to Hand Spun Yarn. It may be said for your kind info -tion what had been said about Silk- Hand Reeled (Hand Spun) in the Union Parliament, when it was classed as Khadi or Khaddar.

Hon. Sri Prakasa, the Minister of Supply, in the Union Governmen had declared unequivocally on Tuesday, the 19th December 1950 at New Delhi, in the Union Parliament explaining and emphasising that the INDI SILK and WOOL are also included in the term KHADI or KHADDAR, when he introduced the KHADDAR PRODUCTION SILK BILL, which was passed by the Parli

while in Mysore State- adjoining to Kollegal, there is practi..., no levy of any tax on Charka reeled Silk by Hand, at Kollegal, a mile and half from the Mysore State border, we, the Hand Charka reelers of the Kollegal Taluk are compelled to pay this Heavy Madras General Sales Tax. It is therefore highly essential and quite necessary, in the interest of this Ancient Industry of the villages, the Union Government will have to please ayyange to depute one of their Officers of the Cottage Industries Branch, so that they can come down to the Taluk and study the special nature of this Cottage Industry and the facts of our case as represented truly and pass thereafter a Legislation , if necessary to the effect that this Cottage Industry be exempt from the levy of Sales Tax on Hand-spun Yarn. Or else there is gloom over this ancient Industry and there is little or no chance for this Industry to prosper on right lines; but have to face the onslaughts of the Sales tax element which is a permanent feature, irrespective of the fact that the reeler makes a profit or not. This fixed levy of Sales Tax on a Hank spun or Hand reeled Charka Silk is not correct and it may not be an exception if this ancient Industry in the villages of the Kollegal Taluk will die down slowly and gradually mainly to this Heavy Sales Tax factor.

We once again pray that the Charka reeled of the Madras State be also treated alike their brothers in the other state of the Union i.e Mysore and this staring anomaly of the levy Sales tax only in the Madras state on Hand reeled Charka silk be removed as it is a HOME INDUSTRY.

We beg to remain, Sir,

Stamps Rs 10 and 2

12

THIRD ASST. SECRETARY TO GOVERNMENT
14 SEP 1951
DEPUTY SECRETARY TO GOVERNMENT
14 SEP 1951
DEVELOPMENT

M.Devarajappa,
Charka reeler,
Sudigundam. P.O.
Secretary,
The Charka reelers of Kollegal Taluk villages,
Coimbatore. Dt Madras State.

To

MINISTER FOR INDUSTRIES
12 SEP 1951
GOVERNMENT OF MADRAS

The Secretary,
The Ministry of Finance,
Department of Economic Affairs,
The Government of India,
New Delhi.

No 101006 III/9

Sir,

Your reference:- No. I.P.6283/51 dated 23.7.51 from the Ministry of Commerce & Industry, Government of India.

We invite your kind attention to the humble petition presented to the Hon. Shri Hare Krushna Mahtab, Minister of Commerce & Industries, which had been transferred to your department for enquiry, verification and disposal.

We have already explained in detail the miserable plight of the Charka Reelers of Kollegal Taluk villages, carried on as a Cottage Indust in most of the villages of the Taluk (the only place in Madras State) in that the Hand-Reeled Charka Silk is subjected to the levy of Madras Sal Tax at an advalorum of 3 pies per Rupee (Re 1/9 per Rs 100/-) . There is no Sales Tax on such Silk in the adjacent Mysore State- a mile and a ha away from Kollegal Town. This Sales Tax is working great Hardship and harm to the Reelers and the Cottage Industry of the villages.

Moreover this ancient Cottage Industry of this taluk- An ANCIENT COTTAGE INDUSTRY OF THE VILLAGES OF THIS TALUK, CARRIED ON BY HAND-SILK YARN R ELED BY HUMAN HAND AND LABOUR, WITHOUT ANY MACHINE-POWER-ON CRUDE SIMPLE MACHINERY. is subject to a Heavy Sales Tax, overlooking the fact that it is a village Cottage Industry run on a small scale, the Silk being reeled(Hand Spun) by human hand power. This is akin to Khadi or Khaddar, similar to Hand Spun Yarn. It may be said for your kind informat -tion what had been said about Silk- Hand Reeled (Hand Spun) in the Union Parliament, when it was classed as Khadi or Khaddar.

Hon. Sri Prakasa, the Minister of Supply, in the Union Government had declared unequivocally on Tuesday, the 12th December 1950 at New Delhi, in the Union Parliament explaining and emphasising that the INDIAN SILK and WOOL are also included in the term KHADI or KHADDAR, when he introduced the KHADDAR PROTECTION BILL, which was passed by the Parliament.

While in Mysore State- adjoining to Kollegal, there is practically no levy of any tax on Charka reeled Silk by Hand, at Kollegal, a mile and a half from the Mysore State border, we, the Hand Charka reelers of the Kollegal Taluk are compelled to pay this Heavy Madras General Sales Tax, It is therefore highly essential and quite necessary, in the interest of this Ancient Industry of the villages, the Union Government will have to please arrange to depute one of their Officers of the Cottage Industries Branch, so that they can come down to the Taluk and study the special nature of this Cottage Industry and the facts of our case as represented truly and pass thereafter a legislation , if necessary to the effect that this Cottage Industry to be exempt from the levy of Sales Tax on Hand-Spun Yarn. Or else there is gloom over this ancient Industry and there is little or no chance for this Industry to prosper on right lines; but have to face the onslaughts of the Sales tax element which is a permanent feature, irrespective of the fact that the reeler makes a profit or not. This fixed levy of Sales Tax on a Hand spun or Hand reeled Charka Silk is not correct and it may not be a surprise if this ancient Industry in the villages of the Kollegal Taluk will die down slowly and gradually mainly to this Heavy Sales Tax Factor.

We once again pray that the Charka reeled of the Madras State be also treated alike their brothers in the other state of the Union(i.e Mysore and this staring anomaly of the levy sales tax only in the Madras state on Hand reeled Charka silk be removed as it is a KHADI INDUSTRY.

We beg to remain, Sir,

Yours obediently,

Hudigundam. B.C.
31.8.51.

Copy submitted to the
1. Hon'ble Minister of Commerce, Govt of India, with reference to their communication No. MDM/1453/51 dated 18.9.1951.
2. Hon Chief Minister of the Govt of Madras, Madras
3. Hon Finanace Minister of Madras, Madras
4. Hon Minister on Industries Commerce, Madras
5. The Director of Industries & Commerce , Madras

1) ಕೆ.ಪಿ.ಕೃಷ್ಣಶಾಂತಿ.ಪಿ.ಹಿರಿಯಣ್ಣಾಚಾರಿ (7) ಟಿ.ಎ.ಎ
2) ಬಿ. ಪುಟ್ಟಸ್ವಾಮಿ ನಾಡ.ಶೆಟ್ಟಿಹಳ್ಳಿ. (8) ಪಿ.ಎಂ.ಜಿ
3) P. ತಿರುಮಲಾಚಾರ್ಯಲು.
4) ದಿವಾನ್ ಬಹದ್ದೂರ್ ಅಬ್ದುಲ್ ರಹೀಮ್
5) ಮೈಸೂರು
6) ಕೊಳ್ಳೇಗಾಲ

ಬಿ.ಕೆ.ಎಂ.ಎಸ್
ಬಿ.ಎಂ.ಶ್ರೀಕಂಠಯ್ಯ

To Rly

Rev

Dev. Dept.

Rev U.O. No. 10/0064-M1/51-1

159 ಮೈಸೂರು

Rev

Memo No. K 0182 N/50-9 dated 10/2/51

Law - The Madras General Sales Tax Act (1939 - Amendment) - Kollegal Taluk - Raw Silk and Silk reeled in charka - Concession - Sliding scale of taxation on sale of raw silk

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From the Board of Rev. Ref A - 2790/50 & 4

In its reference quoted above, the Board of R has invited the attention of the Govt to its ref A 6157/48-2 dated 6.6.49. It is seen that in that reference, the Board offered its remarks only on the question of ~~granting~~ exemptions ~~from taxation~~ of sales of raw silk from payment of tax and not about the question of providing a sliding scale of taxation on the sale of raw silk, which is the request

re the petition of the Silk merchants of Kollegal,
Communicated to the Bd with Govt Endt No 60 182-A
Read 17.7.51 The Board is now requested to
offer its remarks very urgently on that reg
~~regard re the petition referred to above~~.

REVENUE DEPARTMENT

Subject.

T A X - The M.G.S.T.Act, 1939 (Coimbatore)
Raw silk and silk reeled in charka - Sliding scal
sale of raw silk - Further report - Submitted.

Station: Madras Ref.A.2790/50-6 Dated 28-1-52.

From

Sri D. Balasundaram, B.A.
Secy. to the Commr. of Comml. Taxes.

--

Sri V.N. Kudva, I.C.S., Commr. of Comml. Taxes.

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1. Govt. Memo No.40182N/50-1 Rev. dated 13-6-50.
2. do. -2 Rev. dated 3-7-51.
3. Board's Ref.A.2790/50-4 dated 23-7-51.
4. Govt. Endt.No.40182N/50-3 dated 17-7-51.
5. Board's Ref.A.2790/50-5 dated 28-8-51.
6. Govt. Memo No.40182N/50-9 Rev. dated 10-12-51.

REFERENCE

With reference to the Govt. Memo last cited, the Board submits that the petition referring to the sliding scale of taxation was forwarded with the Govt. Memo No.40182N/50-1 Revenue dated 13-6-50 and not with the Govt. Memo No.40182N/50-3 Revenue dated 17-7-51.

The Board also submits that the sliding scale of taxation referred to in the above petition is nothing but the sliding scal of licence fee existing in Mysore State and that it has already considered this point while submitting its remarks in its referen A.615/48-2 dated 6-4-49. In this connection the Board also invit the attention of the Govt. to the last paragraph in the notification of the Mysore Govt. forwarded with the Govt. Endt.No.69533N/1 Revenue dated 22-12-48.

In the above circumstances, the Board submits that it has no further remarks to add to its reference A.615/48-2 dated 6-4-49 in respect of the representations in the petitions forwarded with the Govt. Memos first and fourth cited.

for SECRETARY (C.T.)

To
The Secretary to Government,
Revenue Department.

PEERAN.28/1/52.

Read again G.O. Rs. 264 Rev. dt 28/1/52

Read also:

From Sri Lakshmaiah and others, Silk merchants of Kollegal and Nudigundam, petition dt 1.6.50,

Govt. Memo No. 40182 N/50-1 dt 13.6.50

From the Charka Reelers of Kollegal Tk petition dt 24.6.51

Govt Endt No. 40182 N/50-3 dt 17.7.51

From the Collector. Ref A. 2790/50-5 dt 28/8/51

Sri M. Devarajappa, Charka Reeler, Nudigundam petition dt 3/1951

From the Collector. Ref A. 2790/50-6 dt 28/1/52

G.O. Rs 627 dated 5.3.52

The silk merchants and charka reelers of Kollegal Taluk have made the following requests in their petitions read above:-

(i) that a sliding scale of taxation may be levied on sales of raw silk as in the Mysore State, and

(ii) that sales of charka reeled silk may be exempted from sales tax.

2. The Govt have examined these requests. The first request is apparently that raw silk may be subjected to single point tax at concessional rates under Sec. 5(ii) of the M.G.S.T. Act as in the case of Cotton yarn with a sliding scale of licence fees, as in the Mysore State. The Govt have examined this request previously and rejected it in their order G.O. No. Go. 264 Rev dt 28/1/52. They now see no grounds for reconsideration of that order.

As regards the second request. the Govt agree with the Board of Rev ~~as indicated~~ in their Ref A 615/ut-2 & 6.4.49 that Sec. 5(1) of the M.R.S Act does not contemplate any distinction between hand spun silk yarn and handspun Cotton yarn, and that the word 'yarn' will apply both to Cotton and silk.

A

The Board ~~of Rev~~ is requested to send suitable replies to the petitioners on the lines indicated above.

The petitioners are referred to the Board of Rev (CT) for orders on their petition

6/ 23/11/49

2/12/49

3/3

Tax - Madras General Sales Tax Act, 1939 - (Coimbatore) - Kollegal Taluk - Raw Silk and silk reeled in charka - Concession and exemption of tax - Request

From Sri C. Lakshmiah and others, Silk merchants of Kollegal and Pudigundam Ths, Petition dt 1-6-50

Govt Memo No 40182 N/50-1 dt 13-6-50

From the Charka Reelers of Kollegal Taluk Petition dt 24-6-51

Endt No 40182 N/50-3 dated 17-7-51

From the Board of Rev. Ref A.2790/50-5 dt 28/8/51

From Sri M Devarajan Charka Reeler, petition dt 31/8/51

Ld AS

Please see the papers in the Cf.

The following are the request made in the two petitions in the Cf.

(i) that sliding scale of taxation may be levied on sales of raw silk as in the Mysore State and

(ii) that sales of charka reeled silk may be exempted from sales tax.

The petitions were referred to the Board of Rev. and the Board's report, in the matter on p 9 cpr. In that report, the Board invited the attention of the Govt to its report Ref A. 615/48-2 dt 6-4-49 and has no further remarks to offer in the matter

Request 1: Sliding scale of taxation on sales of Raw Silk:

3 It is submitted that in its original reference in p 4 of 2 Govt Memo dt 18-1-50 the Board offered its remarks only on the question of granting exemption

from tax of sales of raw silk and not about the question of providing a sliding scale of tax at the point of sale of raw silk, which is the gist in the petition on pp 1-3 Cf. This may, perhaps be submitted out to the Board and it may be asked to offer its remarks urgently on the gist (ii) referred to above. For orders.

It is not clear what the petn means by this. Perhaps they mean exemption in lieu of a reduced duty on small sales
4/6(D).

Request (ii)

4 Exemption of charka reeled silk from tax:-

It is submitted that the Board of Rev, originally ~~in its~~ ~~report~~, recommended the issue of a notification under sec 6° of the M.S.S.T Act 1939 extending the concessions regarding cotton yarn in Sec. 5(i) and 5(ii) the M.S.S.T. Act to silk filature, foreign or charka twisted by hand and silk filature other than that twisted by hand. The loss of revenue involved in the proposal was estimated at Rs 77,300/- per annum recurring. In S.F.C. to which the proposal was referred and not approve it. Accordingly the Board's recommendation was not accepted. The notes at pp 1-9 N.F. the note of the SFC at pages 10-11 C.F. and the orders at p 12 Cf. of Go. Ms No 264 Rev 28/1/50 may be perused. In the circumstances it appears that request (ii) of the petitioners cannot be complied with.

p 7 Cf. (1)

1) p. 1 N 9-3-1 &
M on p 8 N
p. 5-1-1 (D)

by persons dealing exclusively in cloth woven on handlooms wholly with hand spun yarn is exempt from tax. It appears that the section does not contemplate any distinction or differential treatment between hand spun silk yarn and hand spun Cotton yarn, since the word "yarn," will apply both to Cotton and silk. This view was also suggested by the Board of Rev — vide R on p 4 ~~of~~ of (A). If this view is accepted, then the Bd of Rev and the petitioners may be informed of this position. For orders.

Dev

Legal (opinion) and fin may see for

The file has not been seen by Legal (opn) + Fin as originally marked. May be sent to Legal (opn) and Finance

Legal (opn) Fin — Finance (opinion)

23/10/51

Rev No. No 40(82)/50-B

Legal (Admin) Depr 23.10.51

The position are in (Admin page) is correct

15-11-51.

ASSISTANT SECRETARY 18366 21 OCT 1951 LEGAL DEPARTMENT

Fin.

Legal U.O 18366/51-L 16-11-51

Finance (Auto) Deptt.

The notes from page 1 above may be and the case returned to Admn.

ADDITIONAL DEPUTY SECRETARY 16 NOV 1951 84642 FINANCE DEPARTMENT

Issued as Memo No. 40182N/50-9 dated 10-12-51.
From the Bd of Rev. Rep A. 2790/50-6 dy 28-1-52.

To AS

Please see the notes from p1 ante, the memo on pp 14-15 cf and the Board's report on p16 cf.

2. This file deals with the following requests of the silk merchants of Kollegal taluk in the Coimbatore Dt:-

(i) that sliding scale of taxation may be levied on sales of raw silk as in the Mysore State,

(ii) that sales of charka reeled silk may be exempted from Sales tax.

Request (i):- It will be seen from the petition on pp 1-2 cf, read with para 2 of the Board's reference on p16 cf. that the request of the petitioners is that raw silk may be subjected to single point tax at concessional rates under Sec 5-(ii) of the M.S.S.T Act. as in the case of Cotton yarn with a sliding scale of licence fees, as in the Mysore State. This request was previously examined and rejected finally as it was not approved by the Standing Finance Committee - vide notes on pp 2-9 Nf and p12 cf of Go No. 264 Fin dated 28-1-50. There seems to be no grounds for a reconsideration of those orders. Orders whether the Board of Rev. may be informed accordingly.

Request-(ii):- The request has already been examined and this Dept has proposed from the Board of Rev as at A on p3 ante Deptts. also agree. The Board of Revenue may accordingly be informed as at A

on p3 ante at the petitioners may be referred to the Bdg Rep for orders on their petitions.

3 The case may now be circulated for orders on A and B on pp 5–6 above.

15/2/52

18/2/52 DS

HM

A + B may be approved

Sgd

Lords

RD

Please see the orders in circulation above. A draft order is submitted for approval.

2/3/52 DS Sgd

28/2/52